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Via Electronic Filing

December 7, 2007

The Honorable Gerard E. Lynch
United States District Judge
United States District Court
Southern District of New York
500 Pearl Street
New York, NY 10007

RE: PANCOAST TRADING S.A., vs.
EUROGRANI S.r.l.
07 CV 8581 (GEL)
Our File No.: 29672-JAS

Dear Judge Lynch:

We represent defendant Eurograni S.r.l in the captioned matter.

In short, certain disputes arose between the Plaintiff, Pancoast Trading S.A., and defendant in connection with the carriage of a wheat cargo from Quebec to Sfax, Tunisia aboard the M/V VERTIGO pursuant to a NYPE form charter party. Plaintiff claims defendant breached the charter party and defendant claims plaintiff breached the charter. The matter is subject to London arbitration.

On October 3, 2007, Plaintiff filed its Verified Complaint seeking to attach \$303,606.92 pursuant to Rule B of the Supplemental Rules for Certain Admiralty and Maritime Claims of the Federal Rules of Civil Procedure. Your Honor signed an *Ex Parte* Order for Process of Maritime Attachment that same day and on October 9, 2007, plaintiff attached \$303,606.92.

Rule E(7) of the Supplemental Rules for Certain Admiralty and Maritime Claims of the Federal Rules of Civil Procedure provides, in relevant part:

7. Security on Counterclaim

(a) When a person who has given security for damages in the

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original action asserts a counterclaim that arises from the transaction or occurrence that is the subject of the original action, a plaintiff for whose benefit the security has been given **must** give security for damages demanded in the counterclaim unless the court for cause shown, directs otherwise.

While reserving its right to move to vacate the attachment, pursuant to Rule E plaintiff has demanded countersecurity in the amount of USD\$325,185.15 to be deposited to a joint escrow account. Documents supporting defendants counterclaim have been provided to Plaintiff. To date, Plaintiff Pancoast Trading has not agreed to provide the requested countersecurity. Consequently, we request the Court's intervention.

The parties have agreed to the following briefing schedule:

Defendant's Motion filed on December 11, 2007
Plaintiff's Opposition filed on December 17, 2007
Defendant's Reply filed on December 19, 2007.

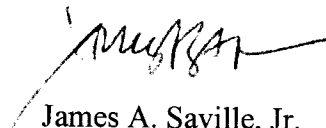
The parties request a prompt hearing thereafter.

We understand that the action has been stayed and, therefore, we request that the stay be lifted. Plaintiff has no objection to this request.

We thank the Court for its consideration of the forgoing.

Respectfully submitted,

HILL RIVKINS & HAYDEN LLP



James A. Saville, Jr.

JAS/mc
29672\005 Court

cc: **Via Electronic Filing**
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Tisdale Law Offices LLC